



House of Representatives

General Assembly

File No. 324

January Session, 2005

Substitute House Bill No. 6160

House of Representatives, April 13, 2005

The Committee on Planning and Development reported through REP. WALLACE of the 109th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING REGIONAL WASTEWATER TREATMENT FACILITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2005*) (a) For the fiscal year ending
- 2 June 30, 2006, and each fiscal year thereafter, the Secretary of the Office
- 3 of Policy and Management shall determine the amount due, as a state
- 4 grant in lieu of taxes, to each town in this state in which a regional
- 5 wastewater treatment facility with a sewage sludge incinerator is
- 6 located. The grant payable to any town under the provisions of this
- 7 section in the state fiscal year commencing July 1, 2005, and each fiscal
- 8 year thereafter, shall be equal to the total of forty-five per cent of the
- 9 property taxes which would have been paid with respect to a regional
- 10 wastewater treatment facility with a sewage sludge incinerator; except
- 11 for the exemption applicable to such property, on the assessment list in
- 12 such town for the assessment date two years prior to the
- 13 commencement of the state fiscal year in which such grant is payable.

14 For the fiscal year ending June 30, 2007, and each fiscal year thereafter,
15 the amount of the grant payable to each municipality in accordance
16 with this section shall be reduced proportionately in the event that the
17 total of such grants in such year exceeds the amount appropriated for
18 the purposes of this section with respect to such year.

19 (b) (1) As used in this section "total tax levied" means the total real
20 property tax levy in such town for the fiscal year preceding the fiscal
21 year in which a grant in lieu of taxes under this section is made,
22 reduced by the Secretary of the Office of Policy and Management in an
23 amount equal to all reimbursements certified as payable to such town
24 by the secretary for real property exemptions and credits on the
25 taxable grand list or rate bill of such town for the assessment year that
26 corresponds to that for which the assessed valuation of the regional
27 wastewater treatment facility with a sewage sludge incinerator has
28 been provided.

29 (2) As used in this section and section 12-19b of the general statutes,
30 as amended by this act, "town" includes borough.

31 Sec. 2. Section 12-19b of the general statutes is repealed and the
32 following is substituted in lieu thereof (*Effective July 1, 2005*):

33 Not later than April first in any assessment year, any town or
34 borough to which a grant is payable under the provisions of section 12-
35 19a or section 1 of this act shall provide the Secretary of the Office of
36 Policy and Management with the assessed valuation of the real
37 property eligible therefor as of the first day of October immediately
38 preceding, adjusted in accordance with any gradual increase in or
39 deferment of assessed values of real property implemented in
40 accordance with section 12-62c or subsection (e) of section 12-62a,
41 which is required for computation of such grant. Any town which
42 neglects to transmit to the secretary the assessed valuation as required
43 by this section shall forfeit two hundred fifty dollars to the state,
44 provided the secretary may waive such forfeiture in accordance with
45 procedures and standards adopted by regulation in accordance with
46 chapter 54. Said secretary may on or before the first day of August of

47 the state fiscal year in which such grant is payable, reevaluate any such
48 property when, in the secretary's judgment, the valuation is inaccurate
49 and shall notify such town of such reevaluation by certified or
50 registered mail. Any town or borough aggrieved by the action of the
51 secretary under the provisions of this section may, not later than ten
52 business days following receipt of such notice, appeal to the secretary
53 for a hearing concerning such reevaluation. Such appeal shall be in
54 writing and shall include a statement as to the reasons for such appeal.
55 The secretary shall, not later than ten business days following receipt
56 of such appeal, grant or deny such hearing by notification in writing,
57 including in the event of a denial, a statement as to the reasons for
58 such denial. Such notification shall be sent by certified or registered
59 mail. If any town or borough is aggrieved by the action of the secretary
60 following such hearing or in denying any such hearing, the town or
61 borough may not later than ten business days after receiving such
62 notice, appeal to the superior court for the judicial district wherein
63 such town is located. Any such appeal shall be privileged.

64 Sec. 3. Section 12-19c of the general statutes is repealed and the
65 following is substituted in lieu thereof (*Effective July 1, 2005*):

66 The Secretary of the Office of Policy and Management shall, not
67 later than September first, certify to the Comptroller the amount due
68 each town or borough under the provisions of section 12-19a or section
69 1 of this act, or under any recomputation occurring prior to said
70 September first which may be effected as the result of the provisions of
71 section 12-19b, as amended by this act, or section 1 of this act, and the
72 Comptroller shall draw an order on the Treasurer on or before the
73 fifteenth day of September following and the Treasurer shall pay the
74 amount thereof to such town on or before the thirtieth day of
75 September following. If any recomputation is effected as the result of
76 the provisions of section 12-19b, as amended by this act, on or after the
77 August first following the date on which the town has provided the
78 assessed valuation in question, any adjustments to the amount due to
79 any town for the period for which such adjustments were made shall
80 be made in the next payment the Treasurer shall make to such town

81 pursuant to this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	New section
Sec. 2	<i>July 1, 2005</i>	12-19b
Sec. 3	<i>July 1, 2005</i>	12-19c

PD *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Policy & Mgmt., Off.	GF - Cost	\$6-8 million	Potential Indeterminate

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 06 \$	FY 07 \$
Cromwell; Hartford; Naugatuck; New Haven; Waterbury	Revenue Gain	Potential Significant	Potential Significant

Explanation

The bill makes towns and boroughs with regional wastewater treatment facilities that have sewage sludge incinerators eligible for a payment in lieu of tax payments (PILOT) for 45% of the tax revenue lost due to the property tax exemption for such facilities. The following municipalities have these facilities and will experience a revenue increase: Cromwell, Waterbury, Naugatuck, New Haven, and Hartford, the extent of which is contingent on future assessments and future mill rates on these facilities. In FY 06 this will cost the state an estimated \$6-8 million, the extent of which is contingent on the assessments and 2004 Grand List mill rates. In FY 07, the PILOT grant to towns is prorated if appropriations are insufficient.

OLR BILL ANALYSIS

sHB 6160

AN ACT CONCERNING REGIONAL WASTEWATER TREATMENT FACILITIES**SUMMARY:**

This bill makes towns and boroughs with regional wastewater treatment facilities that have sewage sludge incinerators eligible for a grant equal to 45% of the tax revenue lost due to the property tax exemption for such facilities. The payment is based on the facility's valuation on the assessment date (October 1) two years before the start of the state fiscal year in which such grant is payable. Starting with FY 07, the grant for each eligible town and borough must be reduced proportionately if the total amount of the grants exceeds the amount appropriated for such grants

Eligible municipalities and the Office of Policy and Management (OPM) must follow the same procedures under this program as they must follow under the existing program for payments in lieu of taxes on state property. The municipality must submit to OPM by April 1 the property's assessed valuation on the prior October 1, (even though the grant is based on the valuation two years before the grant is paid). A municipality's failure to provide this information is subject to a \$250 fine. OPM can reevaluate before August 1, subject to appeal by the municipality. OPM must certify to the comptroller, by September 1, the grant due each municipality.

The bill also extends the \$250 fine to boroughs that fail to provide the assessed valuation under the payment in lieu of taxes on properties program.

EFFECTIVE DATE: July 1, 2005

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 11 Nay 6